

IN THE DRAWINGS:

Please substitute the attached replacement drawing sheet for the corresponding original drawing sheet. The new drawing sheet includes changes to Figure 3.

In Figure 3, the reference number 421 has been replaced with reference number 321, and the reference number 422 has been replaced with reference number 322.

Attachments:

- 1 replacement sheet
- 1 annotated sheet showing changes

## REMARKS

The Applicant appreciates the time taken by the Examiner to review the Applicant's present application. This application has been carefully reviewed in light of the Examiner's comments, including the Office Action mailed February 22, 2008. The Applicant respectfully requests reconsideration and favorable action in this case.

### Summary of rejections and amendments

The Examiner rejected claims 1-5, 8-17 and 20-24 under 35 U.S.C. §102 and claims 6, 7, 18 and 19 under 35 U.S.C. §103. The Applicant has amended claims 1, 2, 4-7, 10, 13, 14, 16-20 and 23 and canceled claims 3 and 15. Claims 1-2, 4-14 and 16-24 are therefore pending in the application.

### Examiner interviews

The undersigned conducted telephone interviews with the Examiner on May 28, 2003 and June 3, 2008 to discuss the invention and the prior art references. The Examiner pointed out the need to more clearly define the noise shaper and to establish that the modification of the input audio signal is a function of the detected clipping of the input audio signal in the noise shaper. It is the understanding of the Applicant that the language of claim 1 as currently amended is believed by the Examiner to distinguish over the cited prior art references.

### Replacement drawings

In a telephone interview call between the undersigned and the Examiner on June 3, 2008, the Examiner pointed out that the specification mentions reference numbers 321 and 322 in Figure 3, but this figure, as originally submitted, does not include these reference numbers. The Applicant has amended Figure 3 to change reference numbers 421 and 422 to 321 and 322, respectively so that the figure conforms to the specification. No new matter has been added.

### Rejections under 35 U.S.C. §102

Claims 1-5, 8-17 and 20-24 are rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,498,531 ("Ulrick"). The Applicant respectfully traverses this rejection.

The Applicant has amended the claims to specify that a noise shaper receives the input signal, re-quantizes the signal and shifts quantization noise in the processed signal out of the audio band. The claims also specify that the input signal is modified as a function of detected clipping of the input signal in the noise shaper. The Applicant respectfully submits that Ulrick fails to disclose these limitations of the amended claims and therefore fails to anticipate the claims. The Applicant therefore requests that the rejection of claims 1-5, 8-17 and 20-24 be withdrawn and the claims allowed.

#### Rejections under 35 U.S.C. §103

Claims 6, 7, 18 and 19 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ulrick in view of U.S. Patent No. 5,528,695 ("Klippel"). The Applicant respectfully traverses this rejection.

As noted above, the Applicant has amended the claims to specify that a noise shaper receives and re-quantizes the input signal and shifts quantization noise in the processed signal out of the audio band, and that the input signal is modified as a function of detected clipping of the input signal in the noise shaper. The Applicant respectfully submits that the combination of Ulrick and Klippel fails to disclose these limitations and therefore fails to render the claims obvious. The Applicant therefore requests that the rejection of claims 6, 7, 18 and 19 be withdrawn and the claims allowed.

#### Conclusion

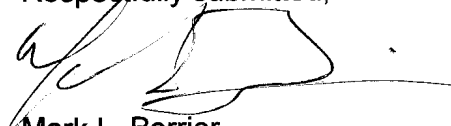
The Applicant has now made an earnest attempt to place this case in condition for allowance. Other than as explicitly set forth above, this reply does not include an acquiescence to statements, assertions, assumptions, conclusions, or any combination thereof in the Office Action.

For at least the foregoing reasons, the Applicant respectfully requests allowance of all claims pending in the application. The Examiner is invited to telephone the undersigned at the number listed below for prompt action in the event any issues remain.

The Applicant hereby petitions for a one-month extension of time for the filing of this response. The appropriate fee is submitted herewith. If any additional extensions of time are necessary to prevent the above referenced application from becoming abandoned, the Applicant hereby petitions for such extensions. If any fees are inadvertently omitted, or if any

additional fees are required, or if any amounts have been overpaid, please appropriately charge or credit those fees to Deposit Account No. 50-3085 of the Law Offices of Mark L. Berrier.

Respectfully submitted,



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Dated: 6/4/08

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